(b) if so, the amount for use of fuel to be taken by the families below poverty line/above poverty line, on issue of kerosene oil/cooking gas monthly/annually; and

(c) how the families shall be benefited as a result of issuance of Smart Card and when it is expected to be initiated?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) to (c) Government is considering a proposal for introduction of Smart Card for distribution of PDS Kerosene on an experimental basis with a view to better targeting the-subsidy for intended beneficiaries.

No final decision has been taken as yet.

Promotion of Ethanol—Blended Petrol

817. SHRI MAHENDRA MOHAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that a plan has been formulated to extend the ethanol—blended petrol, presently operational in 10 States, to every part of the country, and the mixture will also have a large ethanol content of 10 per cent from the current 5 per cent;

(b) if so, the details thereof and the present status of its implementation;

(c) the details of steps taken for removal of reported restrictions, in the form of high rates of taxes, by some States on the supply of ethanol for blending with petrol; and

(d) the level (s) of ethanol—petrol blending being practiced in some other countries?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (b) The Ministry of Petroleum & Natural Gas (MoP&NG) had introduced the scheme of mandatorily supplying 5% ethanol blended petrol in major sugar producing States and contiguous Union Territories w.e.f. 1.1.2003. However, the programme could be implemented only in a staggered manner because ethanol was not available in a consistent manner and at reasonable prices. MoP&NG issued an amending Notification dated 27.10.2004 making sale of EBP mandatory in 10 States and 3 UTs if the price of sourcing indigenous ethanol for supply of ethanol-blended petrol is comparable to the price of indigenous ethanol for alternative uses, the delivery price of ethanol at the locations is comparable to the import parity price of petrol at that location, and the indigenous ethanol industry

is able to maintain uninterrupted supply of ethanol for ethanol—blended petrol programme at such prices. At present the public sector Oil Marketing Companies (OMCs) are implementing the programme in the areas of UP, Uttaranchal, Punjab, Tamil Nadu, Andhra Pradesh, Karnataka and Maharashtra States as per the availability of ethanol.

MoP&NG envisages covering the whole country under 5% EBP in the next phase after the programme stabilizes in the notified States/UTs. Also, the ethanol blend percentage could be considered for increasing from 5% to 10% subsequently.

(c) MoP&NG has recently, *inter-alia,* impressed upon the concerned States not to levy any imposts-excise, entry tax, export or import fee or any other kind of levy which does not fall within the jurisdiction of the State Governments on ethanol meant for blending with petrol.

(d) At present, Brazil is the leader in using ethanol as fuel. In Brazil, the vehicles use 22% ethanol blended petrol. They also have flexi fuel vehicles which could run even on 100% ethanol. The other countries include USA. Australia, Sweden, Thailand, etc.

Sharing of subsidy loss with private players

†818. SHRI JAI PRAKASH AGGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are considering upon any scheme for putting some burden of the loss being occurred by the companies who are marketing oil by selling domestic cooking gas (LPG) and kerosene on Reliance Industries and other refineries;

(b) if so, the details thereof alongwith the latest position; and

(c) by when the above scheme of making the private refineries partners in the subsidy loss is likely to be finalised?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) to (c) Government is encouraging PSU Oil Marketing Companies (OMCs) to move towards a system in which they are able to pass on a part of the burden of under-recoveries on PDS Kerosene and domestic LPG to the refineries inclduing private sector through commercial agreements.

Commercial discounts were offered by refineries including private sector refineries during 2005-06. It is expected that similar discounts could be obtained in the current year.

†Original notice of the question was received in Hindi.